

7/19/21

Bullock, Kepple, Litten, Neff, O'Malley, Rader,

BY: Shachner

RESOLUTION NO. 2021-35

A RESOLUTION to take effect immediately provided it receives the affirmative vote of at least two thirds of the members of Council, or otherwise to take effect and be in force after the earliest period allowed by law, authorizing the Mayor and/or her designee to enter into an agreement with STJS Holdings, LLC (Oster Services, LLC and Oster Services Commercial, LLC) for an economic development loan for a total amount not to exceed One Hundred Seventy-Five Thousand Dollars (\$175,000), forgivable over five (5) years at Thirty-Five Thousand (\$35,000) per annum upon satisfaction of all terms of said Agreement, for the rehabilitation of the historic former St. James School located at 17514 Detroit Avenue, Lakewood, Ohio 44107 and adaptive reuse as an office building;

WHEREAS, in 2010 the City of Lakewood Planning Commission approved the local designation of the St. James Catholic Church properties located at 17514 Detroit Avenue (PPN 311-23-022) as a historic district pursuant to Chapter 1134 of the City of Lakewood Codified Ordinances; and

WHEREAS, the school and rectory buildings on the St. James Catholic Church properties have been vacant for several years and are no longer needed for the previous uses; and

WHEREAS, while the buildings are structurally sound, they need rehabilitation in order to bring them to the highest and most productive use; and

WHEREAS, STJS Holdings, LLC has an agreement to purchase, rehabilitate, and adaptively reuse the historic former St. James School located at 17514 Detroit Avenue for office purposes, including retaining and continuing to operate their business within the City of Lakewood and;

WHEREAS, STJS Holdings, LLC has requested financial assistance for the rehabilitation of the building, including installation of HVAC, electrical, and plumbing upgrades; repair and replacement of windows and doors, replacement of the front steps, and other improvements which represent a permanent investment of over \$3,000,000 in the building; and

WHEREAS, this is an opportunity to preserve and adaptively reuse a designated historic building to reach its highest and best use, to create new office space opportunities support economic and job growth, and facilitate the retention of growing companies in our community; and

WHEREAS, as set forth in Section 2.12 of the Third Amended Charter of the city of Lakewood, this Council by a vote of at least two thirds of its members determines that this resolution is an emergency measure and that it shall take effect immediately, and that it is necessary for the immediate preservation of the public peace, property, health and safety, and to provide for the usual daily operation of municipal departments in order to receive and make these funds available as soon as possible; now, therefore.

BE IT RESOLVED BY THE CITY OF LAKEWOOD, OHIO:

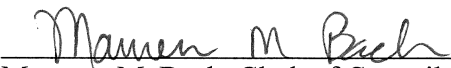
Section 1. The Mayor of Lakewood, or her designee, is hereby authorized to enter into an agreement with STJS Holdings LLC for an economic development grant in an amount not to exceed One Hundred Seventy-Five Thousand Dollars (\$175,000.00) toward permanent improvements to the facility located at 17514 Detroit Avenue, Lakewood, Ohio 44107 (St. James School and PPN 311-22-023); said agreement to contain such terms and conditions deemed necessary by the Director of Law to protect the public interest and in substantially the same form as attached as "Exhibit A."

Section 2. It is found and determined that all formal actions of this Council concerning and relating to the passage of this resolution were adopted in an open meeting of this Council, and that all such deliberations of this Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements.

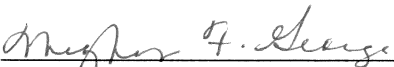
Section 3. This resolution is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, property, health, safety and welfare in the City and for the usual daily operation of the City for the reasons set forth and defined in the preamble to this resolution, and provided it receives the affirmative vote of at least two thirds of the members of Council, this resolution shall take effect and be in force immediately upon its adoption by the Council and approval by the Mayor, or otherwise it shall take effect and be in force after the earliest period allowed by law.

Adopted 9/7/2021


Daniel J. O'Malley, President of Council


Maureen M. Bach, Clerk of Council

Approved 9/8/21


Meghan F. George, Mayor

RESOLUTION EXHIBIT A
ECONOMIC DEVELOPMENT LOAN AGREEMENT

Between

CITY OF LAKEWOOD
and
STJS HOLDINGS, LLC

THIS Loan Agreement (the "Agreement") is entered into as of _____, 2021 by and between the **City of Lakewood (the "City" or "Lender")**, an Ohio municipal corporation, and **STJS Holdings, LLC (the "Borrower")**, an Ohio Corporation located at 1387 Mathews Avenue, Lakewood, Ohio 44107 duly organized and validly existing under the laws of the State of Ohio, by and through its duly authorized representative.

Recitals

WHEREAS, Borrower has requested an economic development loan (the "Loan") to assist with the rehabilitation and adaptive reuse of the historic former St. James School at 17514 Detroit Avenue, PPN 311-23-022 (the "Project Site") to a professional office building;

WHEREAS, the City has determined that the project is an economic development project as explained in the City of Lakewood Financial Policies and Guidelines adopted by Lakewood City Council;

WHEREAS, Borrower has requested assistance in order to complete a financial package to complete the rehabilitation of the former school building to professional offices at the Project Site; and

WHEREAS, The City's funding will be used for construction costs necessary to rehabilitate the historic school structure to a modern professional office facility, recognizing this as an opportunity to convert a vacant, abandoned, and unproductive historic building into a professional office building providing much needed office space in the City; and

WHEREAS, the City desires to make the loan to Borrower so that Borrower can carry out its plans, subject to the terms and conditions of this Agreement as set forth below; and

WHEREAS, City Council adopted Resolution _____ on _____, approving the Loan as described below attached hereto as **Exhibit A**.

NOW, THEREFORE, in consideration of the mutual promises and covenants stated below and other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, the City and the Borrower agree as follows:

Article I – Project

Section 1.01 The Project

Borrower shall undertake, or cause to be undertaken, the activities described in the Borrower's request (collectively referred to as the "Project"), as more fully described in Project Profile, attached hereto as **Exhibit B** to this Agreement and made a part hereof by this reference as if fully rewritten.

The Project shall consist of rehabilitating the historic school structure to a modern professional office with approximately 23,000 square feet of leasable area at 17514 Detroit Avenue, PPN 311-23-022 ready for residential development. The total cost of project construction is approximately \$3,105,851.

Section 1.02 Sources and Uses of Funds for the Project

Sources of Funds

The total cost of the rehabilitation, as delineated in the Project Budget, attached hereto as **Exhibit C** and made a part hereof by this reference as if fully rewritten is approximately **\$3,105,851** and shall be financed from the following sources:

- (1) A Loan from City to Borrower which shall be in the amount of **One Hundred Seventy-Five Thousand Dollars (\$175,000)** in accordance with Article II and the other provisions of this Loan Agreement (the "Funds" or "Loan Funds").
- (2) Private funds and other sources in the amount of **Two Million Nine Hundred Thirty Thousand Eight Hundred Fifty-One Dollars (\$2,930,851)**.

The Loan shall be contingent upon the Borrower's procuring either a contract from a reputable lender and/or showing documented evidence of the equity necessary to complete the work as outlined in **Exhibit C**. Borrower shall not employ financing sources other than those identified above unless Borrower receives the prior written approval of the City.

Use of City Loan Funds

The Loan from the City to the Borrower ("Loan Funds") shall be in the amount of **One Hundred Seventy-Five Thousand Dollars (\$175,000.00)** in accordance with Article II and the other provisions of this Loan Agreement. Such Loan Funds shall be used for:

The purchase of materials associated with the rehabilitation and replacement of building systems and construction of office spaces, excluding any office or other equipment that is not integral or appurtenant to the building structure. A more fully described scope of work is included as **Exhibit C**.

Section 1.03 Timetable for Project Activities

Borrower shall substantially complete construction of the funded project as evidenced by the issuance of a Certificate of Occupancy on or before July 1, 2022:

Section 1.04 Guarantee of Completion

Borrower unconditionally and irrevocably guarantees timely completion of the Project in accordance with Section 1.03 of this Agreement. To accomplish complete and timely execution of the Project, Borrower shall make payment for any cost overruns. This guarantee shall not hinder the City in any way from requiring other individuals or entities not party to this Agreement, including but not limited to tenants, contractors and subcontractors, to make similar guarantees in connection with the Project.

Upon the City's request, the Borrower shall provide the City a completion guaranty with respect to said obligation in the form of a performance bond, letter of credit or, if the City shall so require, a completion guaranty personally executed by the Borrower.

Successful completion of the Project is defined as substantially completing all work listed in Article I of this Agreement, reasonably within the timelines listed in Section 1.03 of this Agreement, and with a total cost of at least the amount listed as Total Project Costs in Section 1.01 of this Agreement.

If completion of the Project is delayed at any time by an act or neglect of the City or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties, or other causes beyond Borrower's control, the time for completion of the Project shall be extended by mutual agreement in writing between the Borrower and the City.

Section 1.05 Documentation Requirements

Job Requirements

Borrower agrees to retain and/or create no fewer than thirty (30), permanent, full-time equivalent (FTE) jobs for a period of no fewer than sixty (60) months after a valid Certificate of Occupancy is obtained by the Borrower to occupy the building at 17514 Detroit Avenue. Borrower pledges and will document with the City annually a list of FTE employees for a period sixty (60) months following the Certificate of Occupancy being obtained and that, for income tax purposes, such FTE employees will primarily work at the Project Site and not be "commuter" or "work from home" employees.

Annual Job Reporting Requirements

Borrower agrees to convey actual job retention and employee activity to the City in a form provided by the Borrower which must be completed and submitted annually before January 31, describing activities conducted between January 1 and December 31 of the previous year.

A copy of the Borrower's Certified Payroll dated the final day of the reporting period December 31 and must accompany each annual Job Report.

Completion Requirements

Upon completion of the Project, Borrower will file for and receive a Certificate of Occupancy for the Project. Borrower will submit invoices and proof of payment for qualifying expenses.

Article II - The Loan

Section 2.01 The Loan, Rate and Note

Subject to the terms and conditions of this Agreement, together with the Secured Promissory Note and Security Agreement of even date and attached as **Exhibits D and E**, the City agrees to lend to the Borrower the sum of **One Hundred Seventy-Five Thousand Dollars (\$175,000.00)** subject to the conditions set forth in Section 2.02 Terms of Repayment and Section 2.03 Disbursement of Funds.

The Borrower's obligation to repay the Loan shall be evidenced by and repayable in accordance with the terms of this Agreement and the Secured Promissory Note and Security Agreement of even date and attached as **Exhibits D and E**, and made a part hereof by this reference as if fully rewritten.

Section 2.02 Terms of Repayment

The principal sum of the Loan (Secured Promissory Note) shall be payable on demand upon default. In accordance with the provisions of this Agreement and the Secured Promissory Note of even date, the City shall forgive **Thirty-Five Thousand Dollars (\$35,000)** of the original principal sum of **One Hundred Seventy-Five Thousand Dollars (\$175,000.00)** of the Loan (Secured Promissory Note) each consecutive year commencing on the date the Certificate of Occupancy is issued by the Lakewood Building Department and continuing until the first to occur of: (a) the balance of the Economic Development Loan (Secured Promissory Note) is \$0.00 or (b) the Borrower fails to comply with its obligations under this Economic Development Loan Agreement and the Secured Promissory Note of even date in accordance with the terms and conditions set forth in this Agreement and in the Secured Promissory Note and Security Agreement of even date and attached as **Exhibits D and E**.

A. Loan Payments

Borrower agrees to make all payments, if necessary, promptly and payable to the City of Lakewood at the following address, or at such other address as the City may designate in writing:

City of Lakewood
Department of Planning & Development
12650 Detroit Avenue
Lakewood, Ohio 44107
Attention: Planning & Development Director

All payments shall be applied first to interest or other fees and then to principal.

Section 2.03 Disbursement of Loan Funds

A. Requirements for Disbursement:

- (i) The Loan funds shall not be disbursed until Borrower has submitted to the City, and had accepted by the City, any certificates, documents and instruments required by this Loan Agreement or Documents in forms satisfactory to the City and its attorneys; and
- (ii) The Loan funds shall not be disbursed until Borrower has submitted to City, and had accepted by the City, evidence of payment or an invoice for materials or services in connection with the Project.

B. City to Disburse Funds to Borrower:

Upon receipt of the above information required above and any other requirement set forth by this Agreement, the City shall disburse Loan Funds to the Borrower for eligible costs, as listed in Section 1.02.

C. Disbursement Checks:

The Rebate disbursement check shall be mailed to the following address until otherwise specified by the Borrower:

STJS Holdings, LLC
1387 Mathews Avenue
Lakewood, Ohio 44107
Attention: Alexis Oster or Sean Nugent

Article III - Representations and Warranties

Borrower represents and warrants to the City as of the Execution Date and throughout the term of this Agreement each of the requirements set forth in Section 3.01 to Section 3.11.

Section 3.01 Organization

Borrower is an Ohio Corporation, duly organized, validly existing, and in good standing under the laws of Ohio and has power to carry on its business as it is presently being conducted, to enter into and observe the provisions of the Loan Documents and to borrow hereunder.

Section 3.02 Authorization

Borrower's act of entering into and performing under this Agreement, including the execution and delivery of the Loan Documents, has been duly authorized by all necessary company action and will not violate any law, rule, regulation, order, writ, judgment, decree, determination or award presently in effect and having applicability to Borrower or any provision of Borrower's articles of incorporation or bylaws or result in a breach of, or constitute a default under, any indenture, bank loan, credit agreement, or any other agreement or instrument to which Borrower is a party or by which it or its property may be bound or affected.

Section 3.03 Enforceability

When this Agreement is executed by both Borrower and the City, certified by the City's Director of Finance and approved by the City's Director of Law, and when the Loan Documents are executed and delivered by Borrower for value, each such instrument shall constitute the legal, valid, and binding obligation of the parties thereto in accordance with its terms.

Section 3.04 Litigation

There are no legal actions, suits, or proceedings pending, or, to the knowledge of Borrower, threatened against Borrower before any court or arbitrator, or administrative agency, which, if determined adversely to Borrower, would have an adverse effect on the financial condition or business of Borrower which have not been disclosed to the City.

Section 3.05 Governmental Consents

No authorization, consent, or approval, or any formal exception of any governmental body, regulatory authorities (federal, state, or local) or mortgage, creditor, or third party is or was necessary to the valid execution and delivery by Borrower of the Loan Documents.

Section 3.06 Absence of Default

Borrower is not in default of any obligation, covenant, or condition contained in any bond, debenture, note, or other evidence of indebtedness or any mortgage or collateral instrument securing the same.

Section 3.07 Tax Returns and Payments

Borrower has filed all required tax returns and has paid or made provision for the payment of all taxes which have or may become due pursuant to said returns or pursuant to any assessments levied against Borrower or its personal or real property by any federal, state, or local taxing agency. The Internal Revenue Service, or any other federal, state, or local taxing agency, has not asserted any tax liability against Borrower for taxes materially in excess of those already provided for, and Borrower knows of no basis for any such deficiency assessment.

Section 3.08 No Adverse Change

Since the date of application for the Loan, there has been no material and adverse change in the financial condition, organization, operation, business prospects, fixed assets, or personnel of Borrower.

Section 3.09 Material Fact

No representation or warranty contained or made in this Agreement, and no certificate, schedule, or other document furnished or to be furnished in connection with this Agreement contains or will contain a misstatement of material fact or omits or will omit to state a material fact required to be stated herein or therein.

Section 3.10 Prohibition of Conflict of Interest

No individual who is an employee, officer, agent, consultant of the City, an elected public official, member of the City Council or appointed City public official, who exercises or has exercised any functions or responsibilities with respect to any activities that are connected with this Project or who is in a position to participate in a decision-making process or to gain inside information with regard to the Project, may obtain a personal or financial interest or benefit from the Project.

Nothing in this section shall prevent an individual connected with the Project from acting on a board which acts only in an advisory capacity, if that individual's connection to the Project is made known to the advisory body so that the advisory body may take action to address any conflict, including committee assignment, voting privileges, or attendance at meetings involving issues which may affect the Project.

Also, the aforementioned individuals shall not have an interest in any contract, subcontract, or agreement with respect thereto, or in the proceeds thereunder, either for themselves or those with whom they have family or business ties. The above restrictions shall apply to all activities comprising the Project, and shall cover any such interest or benefit during or at any time after, such person's tenure and for one year thereafter.

Section 3.11 Full Understanding and Voluntary Acceptance

Borrower represents that Borrower has had reasonable opportunity in the negotiation of this Agreement. Therefore, in any construction of this Agreement, the Agreement shall not be construed against any party on the basis that the party was the drafter.

In entering this Agreement, Borrower represents that it relied upon the advice of its attorneys who are attorneys of their own choice and that the terms of this Agreement and attached Exhibits and documents have been completely read and explained to Borrower by Borrower's attorneys, and that the terms are fully understood and voluntarily accepted by Borrower. Borrower represents that the City afforded Borrower the

opportunity to completely read and ask questions of the City concerning the terms of this Agreement and attached Exhibits and documents and that Borrower fully understands and voluntarily accepts those terms.

Article IV - Conditions of Lending

The obligation of the City to make the Loan shall be subject to the fulfillment to the City's satisfaction on the Execution Date of each of the following requirements set forth in Section 4.01 through Section 4.06.

Section 4.01 Execution and Delivery of Loan Documents

Borrower shall execute and deliver to the City the Loan Documents each in a form and substance satisfactory to the City and its attorneys.

Section 4.03 Governmental Approval

Borrower shall secure all approvals, permits, and consents of governmental bodies having jurisdiction with respect to any Project activities.

Section 4.04 Approval of Others

Borrower shall secure all necessary approvals and consents required with respect to this transaction by any mortgagor, creditor, or other party having any financial interest in Borrower or Borrower's property.

Section 4.05 No Event of Default and Representations and Warranties

There shall exist as of the Closing Date no event or condition, which constitutes an Event of Default as hereinafter defined in Article VII, or which, after notice or lapse of time or both, would constitute such an Event of Default and no such event shall occur as a result of such Loan.

Article V - Affirmative Covenants

Borrower shall comply with the following covenants set forth in this article from the Execution Date until the Loan has been fully repaid to the City, including any interest obligation, unless the City otherwise consents in writing.

Section 5.01 Payment of Other Indebtedness

Borrower shall pay punctually the principal and interest and any other amounts due on any other indebtedness now or hereafter owing by Borrower to the City or any other lender.

Section 5.02 Maintain and Insure Property

During the term of this Agreement, Borrower shall maintain insurance policies and submit copies of same to City, providing general liability coverage, property coverage (fire and extended coverage hazard or special form insurance policy), builders risk coverage (if applicable), workers' compensation insurance, and such other insurance reasonably required by the City and its attorneys in amount sufficient to avoid any significant out-of-pocket payment by borrower in the event of a reasonably insurable loss (except a reasonable deductible). The aforementioned insurance shall be issued by companies reasonably satisfactory to the City with language specifically indicating that the City is an "additional insured" and/or "loss payee," as appropriate to the type of coverage, and that any insurance proceeds will be paid to the City.

Section 5.04 Payment of Taxes

Borrower shall duly pay and discharge all applicable taxes, assessments, and governmental charges levied upon it or against its properties prior to the date on which penalties would attach thereto, except that Borrower shall not be required to pay any such tax, assessment or governmental charge which is being contested by Borrower in good faith and by appropriate and timely proceedings, provided that Borrower provides prior written notice to the City of the contest and proceedings.

Section 5.05 Information

During the term of this Agreement, Borrower shall keep and maintain records, books of account and other documents relating directly to all matters covered by this Agreement, including its receipt and disbursement of Loan funds, in which complete entries will be made reflecting all of its business and financial transactions, such entries to be made in accordance with generally accepted accounting principles consistently applied.

Section 5.07 Disclosure of Documents

All of the records, information, data, reports, etc., prepared or assembled by the Borrower under this Agreement are confidential and the Borrower does covenant and agree that those items shall not be made available to any individual or organization, other than an agency of the United States Government, without the prior written approval of the City.

Applicable federal, state, and local laws shall govern disclosure of documents, which are in the possession of the City.

Section 5.08 Inspection

Borrower shall permit any duly authorized representative of the City, or any other appropriate governmental official, at all reasonable hours, upon reasonable notice, and as often as reasonably requested, to have the right to (1) inspect Borrower's books of account (and to make copies of and/or extracts therefrom); or (2) discuss with agents and employees of Borrower: Borrower's affairs, employment and contracting goals, finances, accounts and compliance with the terms of this Agreement.

Borrower shall provide statements, records, data and the City free access and entry to any portion of Borrower's premises for the purposes of such inspections and discussions until the terms of this Agreement have been complied with and fulfilled.

Section 5.09 Notice of Default

Within ten (10) days of any event, which constitutes an Event of Default, as defined in Article VI, or as defined under any of the Loan Documents, Borrower shall provide written notice to the City of the event. If an event occurs which would, with notice or lapse of time, constitute an Event of Default; Borrower shall likewise give notice to the City within ten (10) days of the discovery of that event.

Section 5.10 Indemnification

Borrower shall be fully responsible and shall indemnify and hold harmless the City, its officials, employees and agents against all liability, claims, demands, losses, damages, delays and costs arising from any act or omission by, or negligence of Borrower and its officers, agents, or employees or its contractor or

subcontractor or the officers, agents or employees of the contractor or subcontractor while engaged in the performance of this Agreement.

Also, no member, official, or employee of the City or of its agents or contractors shall be personally liable to Borrower in the event of any default or breach of the Agreement by the City.

Article VI – Events of Default

The entire unpaid principal of the Note and any other amounts due under the Loan Documents shall become and be immediately due and payable upon the written demand of the City, without any other notice or demand of any kind of presentment or protest, if any one of the following events occurs (an “Event of Default”) and is continuing at the time of such demand, whether it is voluntary or involuntary or, without limitation, occurring or brought about by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

The disbursement of Loan funds will end, without any other notice or demand of any kind of presentment or protest, if any one of the following events occurs (an “Event of Default”) whether it is voluntary or involuntary or, without limitation, occurring or brought about by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

Section 6.01 Default and Cure

- (1) **Default Under Note** -- If Borrower shall fail to comply with its obligations under this Agreement.
- (2) **Payment Default Under Other Indebtedness** -- If default shall exist in the payment when due of any installment of principal or interest on any of Borrower’s other indebtedness and if such default shall remain unremedied for thirty (30) days whether such other indebtedness is in existence at the Execution Date or incurred after such date;
- (3) **Incorrect Representations or Warranties** -- If any representation or warranty contained in or made in connection with the execution and delivery of this Agreement or in any certificate furnished pursuant hereto shall prove to have been incorrect or untrue in any material respect when made;
- (4) **Default in Covenants** -- If Borrower defaults in the performance of any other term, covenant, or agreement contained in the Loan Documents and such default shall continue unremedied for thirty (30) days after the earlier of either: (1) the default becoming known to an executive officer of Borrower; or (2) written notice thereof was given to Borrower by City;
- (5) **Voluntary Insolvency** -- If Borrower becomes insolvent, ceases to pay its debts as they mature, voluntarily files a petition seeking reorganization of, or the appointment of a receiver, trustee, or liquidator, for itself or a substantial portion of its assets, with the purpose of effecting a plan or other arrangements with creditors, is adjudicated bankrupt, or makes a voluntary assignment for the benefit of creditors;
- (6) **Involuntary Insolvency** -- If an involuntary petition is filed against Borrower under any bankruptcy, insolvency, or similar law seeking the reorganization of, or the appointment of

any receiver, trustee, or liquidator, for Borrower or a substantial part of its assets, or a writ or warrant of attachment or similar process is issued against a substantial part of Borrower's assets, and such petition is not dismissed, or such writ or warrant is not released or bonded, within thirty (30) days after the filing or levy; and

- (7) **Judgments** -- If final judgment is entered against Borrower for the payment of money and such judgment is not fully covered by liability insurance and is in excess of Ten Thousand Dollars (\$10,000.00) and is not discharged or appealed with execution of said judgment stayed pending appeal, or, if such judgment be affirmed on appeal and not discharged within thirty (30) days.

Section 6.02 Remedies

If the Borrower defaults and fails to cure as set forth in Article VI of this Agreement, then the City shall have the right to exercise concurrently or successively any one or more of the following rights and remedies:

- I. Wholly or partially terminate this Loan Agreement and the rights given to the Borrower in it;
- II. Temporarily or permanently withhold or reduce funds not yet paid to the Borrower;
- III. Recover funds previously paid to the Borrower;
- IV. Disallow all or part of the cost of a noncompliant activity;
- V. Wholly or partially suspend the Agreement;
- VI. Exercise any and all additional rights the City may have in law or equity.

Termination pursuant to clause (I) above shall be effective five (5) days after the date the City has given written notice to the Borrower of such termination. If City chooses any of the other remedies outlined, that remedy is effective immediately upon default of any of the obligations pursuant to this Agreement.

Article VII - Miscellaneous

Section 7.01 Waivers

The City's failure or delay in exercising any right, power, or remedy hereunder shall not operate as a waiver thereof. The City's single or partial exercise of any such right, power or remedy shall not preclude any other or further exercise thereof of the exercise of any other right, power or remedy hereunder.

No modification or waiver of any provision of the Loan Documents, nor any consent to any departure by Borrower therefrom, shall in any event be effective or established by a court, custom, or course of dealing unless the same is in writing and executed by Borrower and the City. Such waiver of consent shall be effective only for the specific purpose for which it was given or limited to the particular breach so waived. Notice to or demand on Borrower in one instance shall not entitle Borrower to any other further notice or demand in other circumstance.

Section 7.02 Agreement Amendments

Borrower and the City hereby expressly reserve all rights to amend or to consent to, or waive, departure from any provisions of the Loan Documents and to release or otherwise deal with any collateral security for the payment of the Note; provided, however, that the Borrower must receive the prior written approval of the City and that all such amendments shall be in writing and executed by Borrower and the City.

Section 7.03 Notices and Communications

All notices, consents, requests, demands and other communications required hereunder shall be in writing and shall be deemed to have been duly given to a party hereto if mailed as follows:

If to the City, by certified mail, prepaid, at:

City of Lakewood
Department of Planning & Development
12650 Detroit Avenue
Lakewood, Ohio 44107
Attn. Planning & Development Director

With a copy to:

City of Lakewood
Department of Law
12650 Detroit Avenue
Lakewood, Ohio 44107
Attn. Law Director

If to the Borrower:

STJS Holdings, LLC
1387 Mathews Avenue
Lakewood, Ohio 44107
Attention: Alexis Oster or Sean Nugent

Section 7.04 Survival of Representations and Warranties

All agreements, representations, and warranties made by Borrower and City in connection with the Loan or the Loan Documents shall survive the delivery of the Loan Documents and shall continue in full force and effect so long as the Note is outstanding.

Section 7.05 Successors and Assignments

This Agreement shall be binding upon and shall inure to the benefit of Borrower and the City. When used herein, the terms "Borrower" and "City" shall include any successors and permitted assignees or any entity designated by either party to carry out the obligations of the party regarding the Project.

Section 7.06 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 7.07 Prohibition Against Assigns

Borrower shall remain primarily liable for all obligations, terms, conditions and covenants stated herein. Borrower shall not assign, delegate, or transfer any or all of its rights or obligations under the Loan Documents without obtaining the prior written approval of the City, which permission shall not be unreasonably withheld; provided, however, that if the City approves such assignment or transfer, then Borrower and/or the permitted assignees shall be bound by the terms and conditions of the Agreement.

Section 7.08 Compliance with Federal, State and Local Laws and Regulations

Borrower and its subsidiaries, if any, shall comply with all applicable federal laws and regulations thereunder, executive orders and circulars, governing the receipt, expenditure, and use of the Funds.

Borrower agrees that in carrying out the Project, it, or its contractor, shall comply with all applicable housing, building, and public health codes and any laws, ordinances, regulations, administrative rulings, and policies of the City pertaining to the Project.

Section 7.09 Severability

In the event that any provisions of the Loan Documents or the application thereof is declared null and void, invalid, or illegal, or is held for any reason to be unenforceable by a court of competent jurisdiction, the remainder of each of the Loan Documents shall remain in full force and effect and shall not be in any way affected, impaired, or invalidated by those provisions. All covenants, conditions, and agreements contained in the Loan Documents are deemed and agreed to be separate.

Section 7.10 Choice of Law

This Loan Agreement shall be deemed to have been executed and delivered within the State of Ohio, and the rights and obligations of the parties shall be construed and enforced in accordance with, and governed by, the laws of the State of Ohio without regard to principles of conflicts of laws.

Section 7.11 Term of Agreement

This Loan Agreement shall remain in full force and effect until the satisfaction or cancellation of the Project.

(Intentionally Left Blank)

IN WITNESS WHEREOF, after due authorization, the parties have each caused this Loan Agreement to be duly executed as of the date written above.

Signed and acknowledged
in the presence of:

CITY OF LAKEWOOD, OHIO

By: _____
Meghan F. George, Mayor

Print

Address: 12650 Detroit Avenue
Lakewood, Ohio 44107

Signed and acknowledged
in the presence of:

STJS HOLDINGS, LLC

By: _____
Alexis Oster, Owner

Print

Address: 1387 Mathews Avenue
Lakewood, Ohio 44107

Approved as to Legal Form:

By: _____
Jennifer Swallow, Chief Assistant Law Director

STATE OF OHIO)
) SS:
COUNTY OF CUYAHOGA)

On this _____ day of _____, 2021, BEFORE ME,
_____ a Notary Public duly authorized in and for said County and State aforesaid
to take acknowledgments, personally appeared Meghan F. George, to me known to be Mayor of
the CITY OF LAKEWOOD, an Ohio municipal corporation, who acknowledged that she did sign
the foregoing instrument and that the same is his free act and deed and the free act and deed of said
CITY OF LAKEWOOD.

IN WITNESS WHEREOF, I have hereunto set my hand and affix my official seal at
_____, Ohio, this _____ day of _____, 2021.

Notary Public

STATE OF OHIO)
) SS:
COUNTY OF CUYAHOGA)

On this _____ day of _____, 2021, BEFORE ME,
_____ a Notary Public duly authorized in and for said County and State, personally
appeared Owner of STJS HOLDINGS, LLC who acknowledged that she did sign the foregoing
instrument and that the same is his free act and deed and the free act and deed of STJS HOLDINGS,
LLC.

IN WITNESS WHEREOF, I have hereunto set my hand and affix my official seal at
_____, Ohio, this _____ day of _____, 2021.

Notary Public

LIST OF EXHIBITS

Exhibit A	Lakewood City Council Resolution _____
Exhibit B	Project Profile
Exhibit C	Project Budget
Exhibit D	Secured Promissory Note
Exhibit E	Security Agreement

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EXHIBIT A

PLACEHOLDER FOR CITY COUNCIL RESOLUTION

DRAFT

Former St. James School Rehabilitation Non-CDBG Economic Development Loan Project Profile



Project	Former St. James School Rehabilitation	
Developer	STJS Holdings, LLC DBA, Oster Services, LLC and Oster Services Commercial, LLC 1387 Mathews Avenue Lakewood, Ohio 44107 Alexis Oster or Sean Nugent	
Project Site	17514 Detroit Avenue	
Construction Period	September 2021 – July 2022	
Total Project Costs	\$3,105,851	
Funding Sources	Non-CDBG EDF Loan	\$175,000 (5.63% of Project Costs)
	*Private Equity & Financing	<u>\$2,930,851</u>
	Total Project Costs	\$3,105,851

**Developer will receive a City of Lakewood Storefront Renovation grant in the amount of \$50,000 in the form of reimbursement for eligible expenditures.*

Project Summary:

The rehabilitation of the former St. James School, located at 17514 Detroit Avenue, will transform the vacant, three-story former catholic school building into 23,000 square feet of leasable, build to suit office space, helping fulfill a significant office need in the city. In addition to becoming the new, expanded home of Oster Services, the remaining spaces are in the process of being leased, including the third floor to a growing technology company.

The site features over 100 parking spaces that are shared with the adjacent St. James Catholic Church. The former school and rectory are currently being leased by the Oster Services with a contract to purchase that close in the coming months.

Oster Services was founded by Jess and Alexis Oster and opened its office in Lakewood in 2012. The company is known regionally for high quality high end residential remodels and new construction. In addition to the St. James Project, Oster Services is active in Lakewood as the builder with Liberty Development for the Marlowe Park Townhomes. Currently, that same team is building the Bay Creek Townhomes in Bay Village.

Jess and Alexis, since 2012, are also the owners of Grey Dog Diner on Detroit across from St. Edward's.

Oster Commercial is headed by Sean Nugent as a partnership with Jess and Alexis Oster. Founded in 2019 this branch of the firm approaches commercial and institutional projects with the same commitment to high quality and high finish. Two recent examples of OSC's success highlighted on the following page.

Preserving and converting this historic site from a vacant and abandoned building is a priority for the city. The property is currently not producing any revenue for the City and is falling into disrepair. The building requires approximately \$3,105,851 in rehabilitation costs to adaptively repurpose the historic designated

building from a private school to a modern office facility. In order to facilitate these improvements and maintain rent rates that are competitive in the marketplace, Oster Services has requested public assistance. Additionally, the City of Lakewood has limited opportunities for businesses to expand within the community. The preservation and adaptive reuse of this building allows for the retention and attraction of businesses, including Oster Services.

Comparable Project Highlights

St. Vladimir Project (2020)

Project Address

St Vladimir Church
2280 W 11th
Tremont, OH 44113

Project Scope

- Historic Tax Credit project
- Complete rehab and conversion of 1920's St Vladimir church to state of the art offices for Olympic Forest Products
- Retrofit high-efficiency HVAC system with no visible indications of mechanical systems
- Retrofit 4 story / 6 stop elevator
- Sprinkler entire building
- Historic restoration of exterior and interior to exacting standards
- Create "historically accurate" ADA access points using salvaged materials to lower level on both sides of building
- Interior & exterior lighting
- New paving and landscape
- Turnkey coordination of all furniture and fixtures to be "move-in ready"

Project Budget

\$5.3M

Project Schedule

26 months

Highlights

Oster Commercial was awarded the Prestigious Renovation of a Sacred Landmark Award from the American Institute of Architects and the Cleveland Restoration Society.

St. Demetrios Project (2018)

Project Address

St Demetrios Church
22909 Center Ridge Rd
Rocky River, OH 44116

Project Scope

- Protect irreplaceable altar, relics, and icons
- Remove ceiling for complete HVAC and lighting replacement
- Frame large soffits for mechanical routing and concealed distribution
- Replace rooftop HVAC equipment
- Retrofit new electrical distribution as well as LED lighting and lighting control panels
- Clean and restore all icons, mosaics, and stained glass
- All new interior finishes including pews, carpet, cabinetry
- Replace roof
- Install new exterior lighting

Project Budget

\$1.29M

Project Schedule

Fast Track - 3 months to meet contractual wedding commitments

Lakewood's Non-CDBG Economic Development Loan

The non-CDBG Economic Development Program provides both forgivable and repayable low interest loans for a variety of purposes in an effort to support catalytic and transformative projects. The program's primary goals are stimulating redevelopment and revitalization; creating new, permanent full-time equivalent (FTE) jobs generating new tax revenue; retaining existing, permanent FTE jobs to protect existing tax revenue; upgrading the City's commercial and industrial and building stock; and enhancing Lakewood's regional competitiveness consistent with Lakewood's Community Vision.

Former St. James School Rehabilitation Loan Terms

- 0% Interest/No Payments.
- Forgivable over five (5) years at \$35,000 per annum.
- Forgiveness is predicated upon satisfaction of all EDF loan terms including timely project completion and fulfillment of the job retention/creation goals described below.
- The City will place a lien on the subject property in the form of an Open-End Mortgage against its \$175,000 EDF loan releasable over five (5) years in \$35,000 increments predicated on fulfillment of all loan terms to the City's satisfaction.
- Developer must secure commitments for private financing prior to issuance of Non-CDBG Economic Development funds.
- Developer must submit invoices and proof of payment for qualifying expenses. The City's financial assistance is strictly for permanent physical improvements to the site. The goal is to both preserve this historic landmark and make this property suitable for office use.

Job Creation & Hiring Requirements

The developer must adhere to the following job retention and creation requirements.

- Retain and/or create no fewer than thirty (30) permanent, FTE jobs in the building within (12) months following completion of the funded project and maintain such jobs during the 5-year term beginning with the issuance of the Certificate of Occupancy.
- The Developer must submit annual Job Reports documenting actual job retention/creation as a direct result of the funded project for the duration of the loan term.
- Failure to fulfill job requirements within the performance period constitutes loan default.

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Aerial View
Former St. James School Rehabilitation
17514 Detroit Avenue



EXHIBIT C

Project Budget

St. James Rehabilitation Project Budget

General Requirements	\$	99,850
Site Work	\$	279,680
Foundations & Concrete	\$	57,000
Masonry	\$	119,500
Framing	\$	14,000
Interiors	\$	312,720
Labor	\$	76,996
Exteriors	\$	450,100
Plumbing	\$	34,900
HVAC	\$	405,400
Electrical	\$	210,840
Elevator / Lifts	\$	135,000
Fire Protection	\$	146,200
Furniture, Fixtures, & Equipment	\$	10,000
Contingency	\$	305,540
Contractor	\$	448,125
TOTAL		\$ 3,105,851

EXHIBIT D

SECURED PROMISSORY NOTE

This secured promissory note is executed and made this _____ day of _____ 2021, by STJS HOLDINGS, LLC (the "Mortgagor"), whose address is 1387 Mathews Avenue, Lakewood, Ohio 44107 in favor of the CITY OF LAKEWOOD, OHIO, a political subdivision of the state of Ohio and whose address is 12650 Detroit Avenue, Lakewood, Ohio 44107 (the "Lender").

WHEREAS, Mortgagor is indebted to Lender in the principal sum of One Hundred Seventy-Five Thousand Dollars (\$175,000.00), which indebtedness is evidenced by Mortgagor's promissory note of even date herewith (the "Note"); and

NOW, THEREFORE, to secure to Lender: (a) the repayment of: (i) the indebtedness evidenced by the Note and (ii) all other sums advanced in accordance herewith to protect the security of this Mortgage, all with interest thereon; and (b) the performance of the covenants and agreements of Borrower herein contained, Mortgagor does hereby execute and deliver this Mortgage, and hereby grants and conveys to Lender a security interest in all of Mortgagor's estate, title and interest in the property located in Lakewood, County of Cuyahoga and State of Ohio as described on **Exhibit A**, attached hereto and made a part hereof; said premises more commonly known as 17514 Detroit Avenue (PPN 311-23-022), Lakewood, Ohio (hereinafter from time to time the "Property"); and

In furtherance hereof, the Mortgagor represents and covenants to Lender:

1. That at the execution and delivery of this Mortgage, Mortgagor is well-seized of the Property in fee simple, has good and marketable title and right to bargain and sell the same in manner and form as above written, that the same is free from all encumbrances whatsoever except for easements, covenants, conditions, restrictions, limitations and liens of record on the date hereof; and that Mortgagor will warrant and defend said Property, as above conveyed, with the above-mentioned appurtenances to the said Lender, its successors, agents and assigns, forever, against all lawful claims or demands whatsoever.
2. That the lien, pledge and security interest of this Mortgage is a good and valid lien, pledge and security interest on all of the Property, subject to _____ mortgage[s] in favor of _____ (hereinafter collectively referred to as the "Senior Mortgage"). All rights granted to the Lender hereunder are subject and subordinate to the holders of the Senior Mortgage.
3. To promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, late charges as provided in the Note, and the principal of and interest on any future advances secured by this Mortgage. Privilege is reserved to prepay at any time, without premium or fee, the entire indebtedness or any amount thereof.
4. To pay all ground rents (if any), taxes, water rates, public or private utility charges, and other governmental or municipal charges, fines, impositions, assessments, of any kind levied or imposed against the Property, and, upon request therefor, to promptly deliver the official receipts thereof to Lender or its designated agent. Tax receipts are to be delivered semi-annually and within 30 days after payment.
5. To keep the Property fully insured for the benefit of Lender in insurance companies acceptable to Lender or its designated agent, to deposit the policies of insurance with Lender or its designated agent, and to name Lender as a beneficiary on the face of said insurance policy. Receipts for payment of such insurance premiums are to be delivered not less than annually.

Provided that; paragraphs 4 and 5 shall be deemed as properly performed by Mortgagor to the extent the Senior Mortgage is in effect which makes full provisions for the fulfillment of all such obligations of Mortgagor, so long as the Lender is added as a named beneficiary of said insurance policies, and receipts are promptly delivered to Lender or its designated agent.

6. To assign to Lender (subject to the Senior Mortgage and any senior lenders rights), the proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or any part thereof, or for conveyance in lieu of condemnation. Said proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Mortgagor. In the event of a partial taking of the Property, there shall be applied to the sums secured by this Mortgage such proportions of the proceeds as are equal to that proportion which the amount of the sums secured by this Mortgage immediately prior to the date of the taking bears to the fair market value of the Property immediately before taking, with the balance of the proceeds paid to Mortgagor.

Unless Lender and Mortgagor otherwise agree in writing, any such applications of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in the recitals above, or change the amount of such installments.

7. To pay to Lender or its designated agent the total amount due under this Mortgage upon demand, should Lender accelerate the indebtedness pursuant to paragraph 12 below.

8. To keep the Property in as good order and condition as they are now, together with any improvements thereon, reasonable wear and tear excepted, and will not commit or permit waste and shall make all necessary or appropriate repairs, replacements and renewals thereof, interior, exterior, structural and non-structural, ordinary and extraordinary, foreseen and unforeseen. Mortgagor shall not do, or permit to be done, any act or thing which might materially impair the value or usefulness of the Property or any part thereof, shall not commit or permit any waste of the Property or any part thereof, and shall not permit any unlawful occupation, business or trade involving the Property to be conducted. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Mortgagor notice prior to any such inspections specifying reasonable cause therefor related to Lender's interest in the Property.

9. Mortgagor shall, at Mortgagor's own expense, from time to time as requested by Lender, take such actions and execute and deliver to Lender all such instruments, supplements, further assurances and security or other agreements as may be required or requested by Lender in order to perfect and continue Lender's lien, pledge and security interest in the Property hereunder. Mortgagor hereby irrevocably appoints Lender as Mortgagor's agent and attorney-in-fact to sign all such instruments, supplements, further assurances and security and other agreements in the event that Mortgagor shall fail to do so upon request by Lender.

10. Except as otherwise expressly permitted by the Note and this Mortgage, Mortgagor shall not directly or indirectly sell, convey, assign, transfer or otherwise dispose of fee title to the Project facilities or any part thereof or interest therein without the prior written consent of Lender, which consent shall not be unreasonably withheld. Mortgagor shall not directly or indirectly create or permit to remain, and will promptly discharge, any mortgage, lien, encumbrance or charge on, pledge of, security interest in or conditional sale or other title retention agreement with respect to the Property or any part thereof or the interest of Lender therein or any revenues, income or profit or other sums arising from the Property or any part thereof. Notwithstanding the foregoing, no consent by Lender shall be necessary in connection with the transfer of membership interests in the Mortgagor.

11. Mortgagor shall not suffer or permit any mechanics' or other liens to be filed or to exist against the Property or any payments paid or payable under the Loan Documents, by reason of work, labor, services or materials supplied or claimed to have been supplied to, for or in connection with the Property or to Mortgagor, or anyone holding the Property or any part thereof through or under Mortgagor. If any such lien shall at any time be filed, Mortgagor shall, within thirty (30) days after notice of the filing thereof but subject to the right to contest as herein set forth, cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. Notwithstanding the foregoing, Mortgagor shall have the right, at Mortgagor's expense and after written notice to Lender, by appropriate proceeding timely instituted and diligently prosecuted, to contest in good faith the validity or the amount of any such lien. If, however, Lender shall notify Mortgagor that, in the opinion of independent counsel, by nonpayment of any such items the lien, pledge or security interest created by this Mortgage as to any part of the Property will be materially affected or the Property or any part thereof will be subject to imminent loss or forfeiture, Mortgagor shall promptly cause such lien to be discharged of record, as herein provided.

12. On the breach of any condition or covenant of this Mortgage or on default under the Promissory Notes secured hereby, Lender has the following remedies, subject to the rights of the holders of the Senior Mortgage:

a. Foreclosure proceedings may be instituted at the option of Lender, and the fees and charges of Lender's attorneys shall be a further lien and charge upon the Property under this Mortgage, and all such expenses shall become additional indebtedness secured by this Mortgage and shall be allowed in any decree foreclosing this Mortgage. Notwithstanding the foregoing, Lender shall not foreclose upon any part of the Property so long as HUD maintains a first mortgage with respect to such part of the Property.

b. Acceleration of the unpaid principal balance together with all interest and charges thereon, may, at the option of the Lender, be declared immediately due and payable, without notice or demand, such notice or demand being expressly waived by Mortgagor.

c. Exercise of all or any rights and remedies as Lender may have under the Loan Documents; and of any rights, remedies and powers Lender may have at law or in equity.

Provided that, prior to foreclosure or acceleration, Lender shall mail notice to Mortgagor specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 30 days from the date the notice is mailed to the Mortgagor, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding and sale of the Property. Upon payment and cure by Mortgagor, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

13. Upon failure of Mortgagor to pay any ground rents, taxes, water rates, public or private utilities, other governmental charges, insurances policy premiums, prior liens, and charges thereon, which Mortgagor has agreed to pay under paragraphs 4 and 5 above, Lender may, at its option, pay the same, and any amount so paid by Lender shall be added to the principal debt named herein and bear interest at the rate charged by the prior lienholder, payable monthly, from the date of such payment, and shall be secured by this Mortgage.

14. Subject to the rights of the holders of the Senior Mortgage, Lender shall have the right at its option, to collect the rental income and proceeds of the Property, if any, or to appoint a receiver to take possession of and manage and control the premises.

15. Any forbearance by the Lender in exercising any right or remedy hereunder, or otherwise provided by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised cumulatively, concurrently, independently or successively.

16. Indemnification. Mortgagor shall protect, indemnify and save harmless Lender from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses except as may be limited by law or judicial order or decision entered in any action brought to recover moneys under this Section) imposed upon, incurred by or asserted against Lender by reason of (a) ownership of any interest in the Property; (b) any accident or injury to or death of persons, or loss of or damage to property occurring on or about the Property or any part thereof or adjacent real property, sidewalks, curbs, vaults and vault space, if any, streets or ways or with respect to the operation of Mortgagor's business including but not limited to Mortgagor's ownership of or interest in any of the Property or any part thereof; (c) any use, disuse, non-use or condition of the Property or any part thereof or adjacent real property sidewalks, curbs, vaults and vault space, if any, streets or ways; (d) any failure on the part of Mortgagor to perform or comply with any of the terms hereof or of the Note or any other instrument or document executed in connection with the transactions contemplated herein and therein; (e) any necessity to defend any right, title or interest conveyed by this Mortgage or to defend any action arising from the creation or perfection of any such right, title or interest; (f) the performance of any labor or services or the furnishing of any materials or other property in respect to the Property or any part thereof; (g) any loss of or damage to property, or injury to or death of any person, that may be occasioned by any cause pertaining to the provision of any part of the Property; (h) any breach or default arising from any act or failure to act by Mortgagor or any of its agents, lessees, contractors, servants, employees or licensees or arising from any accident, injury or damage caused to any person and occurring with respect to the operation of Mortgagor's business including Mortgagor's ownership of or interest in any of the Property; or (i) any such claim, action, or proceeding brought thereon. If any action or proceeding is made or brought against the City in respect of which indemnity may be sought hereunder, Lender shall give notice to Mortgagor of the action or proceeding and upon such notice, at the option of Lender, (1) Mortgagor shall assume the defense of the action or proceeding with legal counsel satisfactory to Lender, (2) Mortgagor shall assume the defense of the action or proceeding with the participation of Lender, at Mortgagor's expense, or (3) Lender shall assume the defense of the action or proceeding with legal counsel satisfactory to Lender, at Mortgagor's expense; provided that failure of Lender to give such notice shall not relieve Mortgagor from any of Mortgagor's obligations under this Section unless the failure prejudices the defense by Mortgagor of the action or proceeding. Any amounts payable to Lender under this Section shall be paid by Mortgagor on demand together with interest thereon at the per annum rate equal to the Wall Street Journal's prime rate of interest plus 5% from the date thereof in addition to all other payments to be made by the Mortgagor pursuant to the Note, and shall be subject to and secured by this Mortgage as additional indebtedness under this Mortgage. The obligations of Mortgagor under this Section shall survive any defeasance of this Mortgage. The indemnification provided by this Section to Lender includes officers, employees, agents and representatives of the Lender.

17. In case of any damage to or destruction of the Property or any part thereof, there shall be no abatement or reduction of any payment payable by the Mortgagor under the Note, and Mortgagor shall promptly give written notice thereof to the City generally describing the nature and extent of such damage or destruction.

18. The covenants contained herein shall bind, and the benefits and advantages shall inure to, the respective heirs, executors, successors, assigns and agents of the parties hereto. Whenever used, the singular number shall include the plural, and the use of any gender shall include all genders.

19. Upon payment of all sums secured by this Mortgage, Lender shall discharge this Mortgage, without charge to Mortgagor. Mortgagor shall pay all costs of recordation, if any.

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage as of the date set forth hereinabove.

MORTGAGOR(S)

{sign}

{print}

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SECURITY AGREEMENT

CITY OF LAKEWOOD and [INSERT COMPANY]

This is an agreement between STJS HOLDINGS, LLC (the “Borrower”), whose address is 1387 Mathews Avenue, Lakewood, Ohio 44107 and the CITY OF LAKEWOOD, OHIO, a political subdivision of the state of Ohio and whose address is 12650 Detroit Avenue, Lakewood, Ohio 44107 (the “Secured Party”) entered into as of _____, 2021. In consideration of the mutual covenants and promises set forth in this agreement, Borrower and Secured Party agree:

1. Creation of Security Interest

For valuable consideration, receipt of which is hereby acknowledged, Borrower hereby grants to Secured Party a security interest in property located at 17514 Detroit Avenue (PPN 311-23-022), Lakewood, OH 44107 (“Collateral” herein) as listed in **Exhibit A**,

This security interest is to secure payment of the total debt set forth in the note (from Borrower to Secured Party) of even date herewith, together with the Economic Development Loan Agreement of even date, and any and all other liabilities of Borrower to Secured Party under this agreement, which together are referred to as the “obligation” herein.

2. Obligation Secured

The total debt of Borrower to Secured Party is One Hundred Seventy-Five Thousand Dollars (\$175,000.00), at an interest rate of zero percent (0%) per annum as provided in the note of even date secured hereby.

3. Borrower's Rights in Collateral

Borrower hereby warrants that it is the sole owner of the Collateral and that there are no liens or encumbrances of any kind thereon or on any part thereof. Borrower further warrants that it has good right to grant a security interest in the Collateral pursuant to Chapter 1309 of the Ohio Revised Code.

4. Location of Collateral

The Collateral is located at 17514 Detroit Avenue (PPN 311-22-022), Lakewood, Ohio 44107 (to become Borrower's place of business), and Borrower shall promptly notify Secured Party of any change in Collateral. Borrower shall not remove the Collateral from the State of Ohio without Secured Party's written consent. Secured Party shall retain the right to inspect the Collateral during regular business hours by providing forty-eight (48) hours prior notice to such inspection.

5. Protection of Collateral

Borrower shall maintain the Collateral in good repair and shall be responsible to the Secured Party for any loss or damage thereto, shall keep the Collateral free of all taxes, liens and other charges, and shall not illegally use or secrete the Collateral.

6. Insurance

Borrower shall maintain the usual insurance coverage on the Collateral, in a form satisfactory to and issued by an insurance carrier approved by Secured Party, naming Secured Party as a co-insured party on such coverage. Borrower shall pay promptly all premiums on such policies. Borrower shall provide Secured Party with a copy of the certificate of insurance, which shall be delivered to the City of Lakewood, Ohio, Department of Planning and Development. In the event of Borrower failure to procure such insurance or to pay the premiums therefore, Secured Party may procure and pay for such insurance, and all sums advanced for such purpose shall be added to the obligation and secured by this agreement.

7. Default

Any of the following shall constitute default hereunder:

- (a) Borrower's failure to promptly make an installment payment provided for in the note of even date secured hereby.
- (b) Borrower's failure to promptly perform any of the provisions of the note of even date secured hereby or any of the provisions of this agreement.
- (c) Borrower's failure to promptly perform any of the provisions of the Economic Development Loan Agreement of even date secured hereby.
- (d) The making or levying of any attachment or execution on the Collateral.

8. Remedies

In the event of any default by Borrower, Secured Party may take any legal action available to collect all sums owing hereunder, to enforce its right to possession of the Collateral, and to enforce any all other rights or remedies available to it under Chapter 1309 of the Ohio Revised Code.

No such action shall operate as a waiver of any other right or remedy of Secured Party under the terms hereof, or by statute, or otherwise. All rights and remedies of Secured Party are cumulative and not alternative, and no waiver of any default operates as a waiver of any other default.

On any default hereunder, Secured Party may declare all remaining installments immediately due and payable. In the event of nonpayment, Borrower shall, on demand, deliver the Collateral to Secured Party. Secured Party, on obtaining possession of the Collateral on default, may sell the Collateral or any part thereof at public or private sale either with or without having the Collateral at the place of sale. Insofar as may be lawful, Secured Party may be a purchaser at such sale. The net proceeds of such sale, after deducting all expenses of Secured Party in taking, storing, repairing and selling the Collateral, shall be credited against the obligation in accordance with the terms of this agreement. Any surplus shall be paid to Borrower, or the person legally entitled thereto. In the event of a deficiency, Borrower shall pay such deficiency to Secured Party.

9. Effect of Agreement

This agreement shall bind and inure to the benefit of Borrower and Secured Party and their respective executors, administrators, successors, heirs and assigns.

10. General Provisions

Borrower and Secured Party declare that they have read this agreement, including the provisions of the promissory note attached to and secured by this agreement, and that they understand the terms and meaning of the agreement and note. Borrower acknowledges receipt from Secured Party of a copy hereof. Borrower and Secured Party agree that this agreement, together with the Secured Promissory Note and the

Economic Development Loan Agreement, contain the entire agreement between the parties and that there are no other terms or provisions, either express or implied.

STJS Holdings, LLC
By its Owner, Alexis Oster

City of Lakewood
By its Mayor, Meghan F. George

Approved As To Form:

Brian Corrigan, Director of Law
City of Lakewood, Ohio

DRAFT